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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC 93-87

In the Matter of)
Policies and Rules Implementing)
the Telephone Disclosure and Dispute)
Resolution Act)

CC Docket No. 93-22
RM-7990

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NOTICE OF PROPOSED RULE MAKING
AND
NOTICE OF INQUIRY

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By the Commission:

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Table of Contents

	<u>Paras.</u>
I. INTRODUCTION	1
II. BACKGROUND	2-7
III. DISCUSSION	
A. Definition of Pay-Per-Call Services	8
B. Limitations on Pay-Per-Call Service and Compliance with Other Federal Pay-Per-Call Regulations	9-11
C. Preamble Requirement	12
D. Designation of Pay-Per-Call Numbers	13-19
E. Interruption or Disconnection of Local Exchange or Long Distance Telephone Service Prohibited	20-21
F. Blocking of and Presubscription to Pay-Per-Call Services	22-28
G. Restrictions on the Use of 800 Numbers for Pay-Per-Call and Other Audiotext Services	29-31
H. Disclosure and Dissemination of Pay-Per-Call Information by Common Carriers	32-35
I. Billing and Collection	36-37
J. Forgiveness of Charges and Refunds	38-39

K.	Protection Against Nonpayment of Legitimate Charges	40
L.	Recovery of Costs	41-45
M.	Verification of Charitable Status	46
IV.	NOTICE OF INQUIRY REGARDING APPLICATION OF PAY-PER-CALL REGULATIONS TO DATA SERVICES	47
V.	PROCEDURAL MATTERS	48-55
VI.	CONCLUSION	56
VII.	ORDERING CLAUSES	57-60
Appendix - Proposed Rules		

I. INTRODUCTION

1. On October 28, 1992, President Bush signed into law the Telephone Disclosure and Dispute Resolution Act (TDDRA). The purpose of this statute is to "protect the public interest and the future development of pay-per-call technology by providing for the regulation and oversight of the applications and growth of the pay-per-call industry. . . ." ¹ The TDDRA requires, inter alia, both this Commission and the Federal Trade Commission (FTC) to adopt regulations pertaining to the provision of interstate pay-per-call services. ² Accordingly, we initiate this proceeding to establish regulations to implement statutory provisions.

II. BACKGROUND

2. Pay-per-call services (also known as "audiotext" or "900" services) provide telephone users a variety of information services for which they are charged rates different from, and usually higher than, the normal transmission rates charged for ordinary telephone calls. Pay-per-call charges may be assessed on a per minute or flat per call basis.

1 TDDRA, Pub. L. No. 102-556, preamble.

2 Title I of the TDDRA adds a new section to the Communications Act providing an explicit statutory framework for this Commission's regulation of the provision of pay-per-call services through common carriers. 47 U.S.C. § 228. In addition, the Commission is directed to provide recommendations to Congress "with respect to the extension of [pay-per-call] regulations . . . to persons that provide, for a per-call charge, data services that are not pay-per-call services." 47 U.S.C. § 228(f)(3). Titles II and III require that regulations regarding pay-per-call services be adopted by the FTC. Title II primarily prescribes advertising and service standards applicable to pay-per-call programs. Under Title III, the FTC must regulate telephone-billed purchases with rules substantially similar to the provisions of the Truth in Lending and Fair Credit Billing Acts, 15 U.S.C. § 1601 et seq.

3. As pay-per-call services have evolved over the past decade, a wide and growing variety of information and services are offered through the audiotext format. Stock market quotes, sports scores, crossword puzzle clues, legal advice, computer product information, horoscopes, and adult-oriented entertainment are but a sampling of the diverse subjects accessible via pay-per-call services. In some instances, sophisticated database programs enable customers to select the precise information they wish to receive. Although prerecorded messages are typically employed to deliver information, pay-per-call programs also offer live and interactive services. Pay-per-call programs provide access to bulletin board services and live chat lines. Charitable and tax-exempt organizations employ audiotext programs for fundraising. Polls can be conducted through pay-per-call services with votes tallied according to which pay-per-call number is dialed.

4. Interstate pay-per-call programs are typically accessed by dialing a ten-digit number with a 900 (or, sometimes, 700 or 800) prefix. The usual means of access permits the simultaneous calling by a large number of callers to a single telephone number. Pay-per-call services have also been offered via collect calls to individual subscribers.

5. Information providers (IPs) produce interstate pay-per-call programs and then contract with long distance interexchange carriers (IXCs), either directly or through service bureaus coordinating such arrangements, to obtain telecommunications transmission services and, typically, billing and collection services. IXCs, in turn, have arrangements with local exchange carriers (LECs) who use automatic number identification (ANI) information obtained from the IXC to provide billing and collection for pay-per-call services as part of a subscriber's usual monthly telephone bill. Charges for pay-per-call services are set by the IP, although a portion of such charges are recovered by the IXC and LEC for their transmission and billing and collection services. Some IPs use private billing companies not associated with a telephone company to collect the pay-per-call charges.

6. In recent years, the proliferation of pay-per-call services has given rise to large numbers of consumer complaints regarding various practices associated with such services. Responding to these complaints, the Commission, in 1991, adopted regulations designed to protect consumers from abusive practices which could ultimately threaten their ability to secure basic communications services.³ These rules: (1) require IXCs to transmit pay-per-call services only if the IP includes an introductory message (or preamble) at the beginning of the call, clearly disclosing the cost of the call, a description of the information, product, or service the caller will receive for the fee charged, the name of the IP, and an opportunity for the caller to hang up without charge; (2) require LECs to offer blocking of 900 services to all subscribers, where technically feasible, and one-time free

3 Policies and Rules Concerning Interstate 900 Telecommunications Services, CC Docket No. 91-65, Report and Order, 6 FCC Rcd 6166 (1991) (900 Services Report and Order), recon., FCC 93-88 (adopted Feb. 11, 1993).

blocking of 900 services to residential subscribers; (3) prohibit local and long distance companies from disconnecting basic communications service for failure to pay interstate pay-per-call charges; (4) require long distance companies to provide, upon request, the name, address, and customer telephone number for all IPs using their facilities to provide pay-per-call services; (5) prohibit certain automated collect calls; and (6) prohibit generation of broadcast tones that automatically dial a pay-per-call service.

7. The TDDRA adopts several of these requirements as the underpinnings of a regulatory system intended to both promote the legitimate development of pay-per-call services and protect consumers from fraudulent and deceptive practices. In some instances, our rules already satisfy the new statutory mandate. In other cases, we must either adopt new rules or amend existing rules to comply with the precise language or requirements imposed by the TDDRA. The requirements of the TDDRA relevant to this Commission are set forth below along with our proposals to implement such requirements.⁴

III. DISCUSSION

A. Definition of Pay-Per-Call Services

8. The TDDRA defines pay-per-call services more explicitly than do our rules. We propose to change our definition of pay-per-call services to conform with that prescribed by the statute. Accordingly, Section 64.1501 of our proposed rules contains the new definition repeated virtually verbatim from the TDDRA, 47 U.S.C. § 228(i). We also invite commenters to address whether other terms crucial to the application of the TDDRA's requirements should be defined by rule.⁵

B. Limitations on Pay-Per-Call Service and Compliance with Other Federal Pay-Per-Call Regulations

9. Under the TDDRA, any common carrier who assigns pay-per-call numbers must require by contract or by tariff that individual IPs utilizing such numbers comply with the provisions of Titles II and III of the TDDRA, which are within the purview of the FTC, and with any implementing

4 We propose to create a new subpart in Section 64 of our rules, exclusively for pay-per-call regulations. Thus, those provisions of our existing pay-per-call rules that are being retained will be moved from Subpart G to Subpart 0, Sections 64.1501 et seq.

5 For example, the TDDRA specifically removes from its scope "any service for which users are assessed charges only after entering into a presubscription or comparable arrangement with the provider of such service." 47 U.S.C. § 228(i)(2). Commenters may discuss whether the term "presubscription arrangement" should be explicitly defined by rule and, if so, what that definition should be. It is our view that a presubscription arrangement encompasses only those agreements made by subscribers prior to initiation of a call.

regulations prescribed by the FTC.⁶ Further, a carrier is compelled to terminate a pay-per-call program if that carrier knows or reasonably should know that the service is not being offered in compliance with Titles II and III of the TDDRA and related FTC regulations.⁷ We propose to eliminate Section 64.710 and instead codify the mandate for compliance with both FCC and FTC regulations by adopting the statutory language. In addition, each common carrier contract or tariff for pay-per-call services should either clearly delineate the terms of the Commission's and the FTC's regulations or reference the publications in which they can be found.⁸

10. In accordance with the TDDRA, we seek comments regarding what particular procedures, if any, should be prescribed to govern a carrier's termination of pay-per-call service for failure to comply with the TDDRA or relevant FTC regulations. We believe that termination of pay-per-call programs operating in violation of the statute or applicable regulations should occur promptly after a short period during which an IP may respond to a carrier's written notification of planned termination. Expedited termination would advance the protective purposes of the TDDRA by ensuring that interstate audiotext programs are being offered in compliance with federal law and regulations.

11. Termination provisions and procedures are typically contained in the tariffs or contracts under which a common carrier provides service. Commenters should address whether it would be sufficient under the TDDRA to simply require that carriers independently delineate such provisions in their tariffs or contracts applicable to pay-per-call services, or whether the Commission must, or should, set specific termination standards and procedures by rule which would then be included verbatim or by reference in a contract or tariff.

C. Preamble Requirement

12. In light of the broad compliance requirement proposed in Section 64.1502 and the TDDRA requirement that the FTC prescribe preamble regulations, we propose to delete the preamble requirement contained in Section 64.711 of our rules. Under the TDDRA, the FTC must adopt regulations incorporating specific service standards that must be observed by IPs in their provision of pay-per-call services. Included in these standards

6 47 U.S.C. § 228(c)(1).

7 47 U.S.C. § 228(c)(2). The Commission's current general compliance requirement mandates that pay-per-call services be offered under the terms and conditions set forth in the Sections 64.711 through 64.716 of the rules, 47 C.F.R. §§ 64.711 - 64.716. 47 C.F.R. § 64.710.

8 Under Section 61.74 of the rules, "no tariff publication filed with the Commission may make reference to any other tariff publication or to any other document or instrument." 47 C.F.R. § 61.74. We propose to adopt an exception to this rule to permit reference to pay-per-call regulations adopted by this Commission and the FTC.

are explicit requirements for preambles that largely mirror the provisions of Section 64.711 of our rules. The regulatory structure for pay-per-call services which this Commission shares with the FTC would be simplified if regulations are not unnecessarily duplicated. Since the FTC is required to adopt rules governing the content and operation of preambles to pay-per-call programs, retention of our preamble requirements would be duplicative and, possibly, confusing. Given the clear preamble requirements included in Title II of the TDDRA and the FTC's obligation to adopt consistent regulations, our separate preamble requirement is no longer necessary to protect consumers. Under the broad compliance requirement of the TDDRA,⁹ carriers will continue to be required to enforce preamble standards since they are authorized to assign numbers only for those pay-per-call programs that conform with FTC rules. Again, tariffs should either clearly state these provisions prescribed by the TDDRA and the FTC's implementing rules or specifically reference appropriate FTC rules.

D. Designation of Pay-Per-Call Numbers

13. The TDDRA requires that any services falling within the statutory definition of pay-per-call "be offered only through the use of certain telephone number prefixes and area codes" which are to be "designated by the Commission."¹⁰ These provisions impose new restrictions not contemplated by our existing regulations, and we are particularly interested in receiving comment as to the most efficient and least disruptive way to comply with the number designation requirements.

14. Within the United States and 17 other North American countries, designation of telephone numbers is controlled by the North American Numbering Plan (NANP). Under the NANP, the first three digits of a ten digit telephone number are known as the numbering plan area code or NPA Code. Within that designation, most numbers represent NPA codes assigned to particular geographic areas (area codes). Also included are eight service access codes (SACs) with the number format "N00" (200, 300, 400 . . . 900). The three digit NPA code is followed by a three digit secondary code, known as an office or central office (CO) code. Finally, a telephone number terminates with a four digit station or line number.

15. As administrator of the NANP, Bell Communications Research (Bellcore) assigns all NPA codes. For geographic area codes, office codes are assigned by the LEC providing most of the local exchange service within that particular area code. While the Commission has plenary jurisdiction over the numbering plan within the United States, most numbering plan issues have been resolved through industry negotiations and forums. Thus,

9 47 U.S.C. § 228(c) (1).

10 47 U.S.C. § 228(b) (5), (c) (2).

Commission involvement has usually been restricted to disputes brought before the Commission for resolution.¹¹

16. Most interstate pay-per-call services are probably transmitted via 900 numbers (900-XXX-XXXX). However, some pay-per-call programs are carried over 700 numbers (700-XXX-XXXX).¹² In addition, some primarily intrastate pay-per-call numbers are accessible to interstate callers. In some instances, pay-per-call programs can be reached through long distance dialing sequences employing a ten digit number beginning with an area code. In other instances where local calling areas include parts of more than one state, pay-per-call services may be reached by dialing a seven digit local telephone number which crosses a state line. We estimate that at the present time, local pay-per-call services are available through numbers using between 15 to 20 different central office codes. The most common office code assigned to intrastate pay-per-call services appears to be 976.

17. A substantial number of telephone subscribers are probably aware that services offered through 900 numbers carry charges beyond those assessed for transmission of ordinary long distance calls. Subscribers are much less likely to associate other number sequences with the increased charges applicable to pay-per-call programs. We tentatively conclude that consumers' interests would be served by requiring that 900 is the only service access code that may be used for interstate pay-per-call services. A single service access code should provide an adequate number of dialing sequences to accommodate existing pay-per-call numbers and any reasonably expected demand for such numbers in the foreseeable future. Reassigning all pay-per-call services currently on a 700 service access code to the 900 service access code may cause carriers and IPs some inconvenience and expense. Users may also experience some inconvenience in learning new numbers for familiar services. In our view, however, any such burdens would be outweighed by the public benefit of maximizing the ability of telephone subscribers to easily recognize the nature, and attendant pricing structure, of services being used. Commenters opposing the consolidation of interstate pay-per-call services on the 900 service access code should describe in detail the disruption which they believe would likely flow from such consolidation, and provide specific data to establish the likelihood of significant adverse effects.

18. We also invite commenters to discuss whether public interest concerns support a requirement that intrastate pay-per-call programs be

11 The Commission has initiated a proceeding to examine whether and how administration of the NANP could be improved and adjusted to accommodate major changes occurring in the telecommunications industry over the past several years. Administration of the North American Numbering Plan, CC Docket No. 92-237, Notice of Inquiry, 7 FCC Rcd 6837 (1992).

12 Pay-per-call services are also being offered on 800 numbers. However, in view of the TDDRA's restrictions regarding assignment of 800 numbers (see paras. 29-31, *infra*), it does not appear that such services can be permitted to continue.

assigned to certain designated office codes.¹³ Through such a system, different office codes could be employed for different types of pay-per-call programs, increasing a consumer's ability to distinguish the specific type of pay-per-call service at issue.¹⁴ If such a system is deemed to be of insufficient public benefit or unduly burdensome, should assignment of pay-per-call numbers be restricted to a limited number of easily recognizable central office codes or at least be restricted to those office codes already in service for such purposes? We ask commenters to discuss such issues.

19. We wish to ensure that whatever number designation system is ultimately adopted can be implemented with minimal disruption. Accordingly, during the pendency of this proceeding, we urge carriers to refrain from placing pay-per-call programs on any NPA codes or office codes they are not already using for pay-per-call service.

E. Interruption or Disconnection of Local Exchange or Long Distance Telephone Service Prohibited

20. The Commission's pay-per-call rules already prohibit common carriers from disconnecting or ordering the disconnection of basic communications service for failure to pay interstate pay-per-call charges which under our scheme of third party billing are not common carrier, but instead information service provider, charges. We propose to enlarge this prohibition to reflect the language employed in the TDDRA; specifically, common carriers may not either disconnect or interrupt local exchange service or long distance telephone service for non-payment of pay-per-call charges. Disconnection may imply only final termination of service, whereupon the telephone number of the delinquent subscriber may be reassigned to another customer. The inclusion of the term "interrupt" would clarify that service is also not to be disrupted in any manner, including any action short of actual final disconnection. Likewise, as specified in the TDDRA, we propose to explicitly state that the prohibition against interruption or disconnection applies to both local exchange telephone service and long distance telephone service. These terms set forth in proposed Section 64.1507 would replace the term "basic communications service" which is currently employed in Section 64.714.

21. Apart from these clarifications, we also seek comment on our proposal to extend the prohibition against any disruption of local or long distance telephone service for non-payment of charges to include any collect telephone calls that offer access to audiotext services or group

13 Parties should also address whether an office code designation system could be accommodated on 900 numbers without undue disruption. Currently, the second three digits of a 900 number denote the transmitting IXC.

14 For example, different office codes would be reserved for each distinctive category of pay-per-call programs (e.g., "adult-oriented" entertainment, chat lines, polling).

discussions.¹⁵ Although these services may not fall strictly within the definition of pay-per-call if the collect charges are tariffed, the calls resemble pay-per-call services, not traditional collect calls. We note that such calls are prohibited if the caller uses an 800 number (see para. 29, infra). Prohibiting disconnection for failure to pay charges for such non-traditional services that may be offered by means other than 800 number origination appears to be consistent with the spirit of the TDDRA.

F. Blocking of and Presubscription to Pay-Per-Call Services

22. The TDDRA requires that, where technically feasible, local exchange carriers must offer their subscribers the option of blocking access to all pay-per-call services, or to certain selected NPA codes or office codes assigned for pay-per-call purposes. Such blocks are to be offered at no charge to all subscribers for a period of 60 days after issuance of the Commission's pay-per-call regulations and to any subscriber taking service at a new telephone number for a period of 60 days after the new number is effective. Additional blocks or those executed outside the 60 day time frame are to be offered for a "reasonable" charge. Finally, where the Commission

15 Collect audiotext calls have generated numerous complaints both to this Commission and state commissions. The charges for these calls often appear to be excessive. See, e.g., Informal Complaint File No. IC-93-02670 (collect call billed by LEC in normal subscriber monthly billing at \$14.85 for a three minute call). The called party often apparently does not understand that he or she is receiving a costly call, and, in fact, complainants often assert that they did not take any action to request a call but nevertheless were billed for the collect call. We have previously deferred to the states as to whether LECs may offer to IXCs service whereby a subscriber's telephone service is disconnected for failure to pay long distance charges while we have preempted state authority to regulate the rates LECs charge for such disconnection service. Detariffing of Billing and Collection Services, Report and Order, 102 FCC 2d 1150, 1176-77 (1986), recon. denied 1 FCC Rcd 445, (1986). See also Public Service Commission of Maryland, 2 FCC Rcd 1998 (1987), aff'd on review 4 FCC Rcd 4000 (1989), aff'd sub. nom. Public Service Commission of Maryland v. FCC, 909 F.2d 1510 (1990). Here, however, we believe a departure from our prior policy may be warranted because of the specific problems associated with such non-traditional service. The abuses that we have seen with respect to collect audiotext calls -- which often are of an adult-oriented nature -- lead us now to propose a federal prohibition on disconnection of a subscriber's telephone service for nonpayment of charges for such calls. We are also inviting comment on whether to prohibit carrier billing for these services. See para. 36, infra. If that prohibition is adopted, we need not reference collect audiotext calls in our prohibition against disconnection. We are proposing to amend our existing restrictions concerning automated collect pay-per-call calls to cover any audio information services or simultaneous voice conversation services billed to the subscriber on a collect basis. See 47 C.F.R. § 64.715 and proposed § 64.1505, Appendix.

determines that it is economically and technically feasible, LECs must offer the option of presubscribing to or blocking only specific pay-per-call services.

23. Although the basic blocking requirement included in the TDDRA is also contained in our rules, the statute specifies blocking options which are in some instances more generous and in some instances less generous to consumers. For instance, whereas the TDDRA requires that free blocking be made available to all telephone subscribers, our rules extend the free block only to residential subscribers. Separately, whereas our rules impose no time limit on a residential subscriber's exercise of the one-time free blocking option, the TDDRA requires only that free blocking be available for a period of 60 days after the issuance of our regulations or after new service is initiated.

24. We propose to change our rules to reflect the specific blocking requirements of the TDDRA. However, we seek comment on the feasibility of providing these selective options using existing technology.

25. Both our rules and the TDDRA impose blocking requirements only where technically feasible. First, subject to technical feasibility, the TDDRA requires LECs to offer blocking "to all, or to certain specific, prefixes or area codes used by pay-per-call services." Second, the statute also requires LECs to offer the blocking of or presubscription to specific pay-per-call services if the Commission determines that such action is technically and economically feasible.

26. In the proceeding which established existing rules pertaining to pay-per-call services, the Commission gathered extensive comment regarding the technical feasibility and proper extent of blocking. In light of the weight of these comments, the Commission concluded that technical considerations justified limiting the blocking option to only those pay-per-call services offered on the 900 exchange and only on an across-the-board basis.¹⁶ We also recognized that in some areas, existing switches might not

¹⁶ 900 Services Report and Order, 6 FCC Rcd at 6176. Whereas our rules restrict a LEC's blocking obligation to an across-the-board block of all 900 services, the TDDRA raises the possibility that subscribers might obtain either blocking of or presubscription to only selected pay-per-call numbers. However, the likely impossibility of accomplishing blocking of or presubscription to individual pay-per-call services, either currently or in the near future, was recognized by the Senate committee reporting on a predecessor bill pertaining to pay-per-call services. See Report of the Senate Committee on Commerce, Science, and Transportation on S. 1579, 900 Services Consumer Protection Act of 1991. Oct. 19, 1991. ("[T]he Committee recognizes that no telephone company has the technology today to permit subscribers to selectively block access to specific 900 services. Accordingly, the Committee recognizes that this option may not be available to subscribers for some time.") Although the Senate bill was not enacted, numerous provisions of that original bill, including the blocking requirement, were incorporated

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have the capability to accomplish any blocking of 900 services from individual subscriber numbers. In setting a standard for technical feasibility, we declined to impose a requirement that the LECs accelerate their purchases of new equipment to comply with blocking regulations. Instead, blocking of the entire body of 900 services by individual subscriber number is required when it can be accomplished through a LEC's existing equipment.¹⁷

27. We seek comment regarding the technical and economic feasibility of accomplishing the detailed blocking or presubscription contemplated by the TDDRA and ask commenters to address, in particular, what standards should be employed to determine technical and economic feasibility. Commenters should also address whether, and in what manner, technical capabilities and number assignments have changed since the Commission limited carriers' blocking obligations to an across-the-board block of 900 services. We are particularly interested in being advised as to the possibility of interstate blocking by office code. If such blocking were determined to be technically and economically feasible, and the office code system of pay-per-call designation discussed in paragraph 18, supra, were adopted, subscribers could block only particular categories of pay-per-call programs (e.g., adult-oriented entertainment, chat lines). Assuming technical feasibility, commenters should address the relative costs and benefits of such a system.

28. We also ask commenters to consider whether the LECs should be required to include the rates and regulations governing blocking in their interstate end-user tariffs filed with the Commission.¹⁸ The TDDRA establishes uniform minimum obligations carriers must adhere to in providing blocking services for interstate pay-per-call numbers indicating some need for national uniformity for minimum standards. In addition, services which are associated with interstate tariffs are normally tariffed in federal tariffs. We seek comment as to whether the TDDRA's blocking service obligations should be included in interstate end-user tariffs. Parties should discuss whether such a requirement would either promote uniformity or

into the TDDRA.

17 900 Services Report and Order, 6 FCC Rcd at 6174. We recently determined that the LEC originating a 900 services call is unable to determine whether the call is interstate or intrastate, and thus it is unable to identify and block 900 calls on a jurisdictional basis. Petition for an Expedited Declaratory Ruling Filed by National Association for Information Services, Audio Communications, Inc., and Ryder Communications, Inc., FCC 93-45 (released January 22, 1993).

18 Section 228((c)(4)(B) states that carriers are not precluded from filing blocking rates and regulations in their interstate tariffs. We declined to require tariffing at the interstate level in the 900 Services Report and Order, because (1) the record reflected that technology could not distinguish between interstate and intrastate 900 calls and (2) states had made substantial progress in imposing blocking requirements. 6 FCC Rcd at 6176.

unduly interfere with state regulatory systems. We specifically request comment on whether a dual federal/state tariffing procedure is workable and the degree to which the Commission should defer to state blocking requirements different from those imposed in the TDDRA.

G. Restrictions on the Use of 800 Numbers for Pay-Per-Call and Other
Audiotext Services

29. The TDDRA directs the Commission to establish rules severely constraining the use of 800 numbers -- or any other number "advertised or widely understood to be toll free" -- for pay-per-call purposes. Specifically, such numbers may not be used in any manner that would result in (1) charges being incurred upon completion of a call; (2) connection of the caller to a pay-per-call service; (3) charges being incurred for any information conveyed during the call unless the caller either has a preexisting agreement authorizing such charges or discloses a credit or charge card number during the call; or (4) the caller being called back collect to receive audio information services or simultaneous voice conversation services.¹⁹ These limitations must be added to the Commission's rules. We propose to adopt them virtually verbatim.²⁰

30. We ask commenters to consider whether additional restrictions on the use of 800 numbers beyond those contained in the TDDRA should be adopted to guard against deceptive practices. For instance, we understand that some 800 callers have received credit card charges after disclosing a credit card number, ostensibly for the sole purpose of verifying their credit worthiness. Our proposed rule provides that charges for information conveyed during an 800 call may not be incurred unless the caller both discloses a credit card number and authorizes a charge to that number during the call. We also seek comment to discern the proper scope of the terms "credit card" and "charge card" and whether any exclusions or additions to the usual definitions should be incorporated in our rules. In particular, we ask commenters to address whether a telephone calling card would be deemed a charge card for purposes of this section, and, if so, whether its designation as such enlarges the potential for abuse or circumvention. We are also interested in commenters' views as to whether the TDDRA's 800 number restrictions encompass the IXCs' establishment of 800 numbers for use by subscribers in making calling card calls.

31. On April 30, 1992, the 900 Number Subcommittee of the Consumer Protection Committee of the National Association of Attorneys General (NAAG) and 34 states filed a Petition for Clarification and Modification of the Commission's pay-per-call regulations seeking a ruling that would limit the use of 800 numbers for pay-per-call purposes. The Commission determined that the NAAG Petition should be treated as a petition for rule making and, accordingly, instituted a proceeding (RM-7990) and

19 47 U.S.C. § 228(c) (6).

20 Adoption of these provisions may require IXCs to alter their tariffs or contracts governing the provision of 800 services.

solicited comment on pertinent issues presented by the petitioners: (1) whether pay-per-call rules apply when such services are offered via 800 numbers and (2) whether carriers should be prohibited from providing 800 numbers for services which bill customers through the use of tone-generation technology, automatic number identification, or billing detail information.²¹ We will incorporate the record compiled in RM-7990 into our larger rule making effort undertaken here in response to the TDDRA. Thus, although we ask commenters to pay special attention to the manner in which statutory provisions relating to the use of 800 numbers differ from the proposals made by NAAG, parties need not repeat the views contained in their comments submitted in RM-7990.

H. Disclosure and Dissemination of Pay-Per-Call Information by Common Carriers

32. Section 64.712 of the Commission's rules currently requires carriers providing interstate transmission for pay-per-call services to provide to consumers, upon request and free of charge, the name, address, and customer service telephone number of any information providers who receive transmission services from the carrier. A carrier may engage another entity such as a service bureau to fulfill this obligation.

33. The TDDRA imposes some additional disclosure requirements upon common carriers who assign numbers for pay-per-call purposes. In particular, along with the information already required under our rules, the TDDRA specifies that carriers must, upon request, provide a list of telephone numbers for each pay-per-call service for which that carrier has assigned a telephone number, and a short description of each such service.²²

34. Further procedures for information disclosure and dissemination are mandated for carriers who, in addition to assigning pay-per-call numbers, provide billing and collection services to IPs offering pay-per-call programs.²³ These carriers must (1) establish local or toll free telephone numbers to answer questions and provide information on subscribers' rights and obligations with respect to use of pay-per-call services and (2) provide²⁴ to each subscriber²⁵ within 60 days after the

21 Public Notice, 7 FCC Rcd 3390 (1992).

22 47 U.S.C. § 228(c)(2).

23 The TDDRA sets certain standards with respect to the format and content of bills issued by common carriers for pay-per-call services. These requirements are discussed below at ¶¶ 36-37.

24 An affected carrier (generally an IXC) can provide required information itself or through contract with any local exchange carrier that provides billing and collection services to that carrier.

issuance of final regulations, a disclosure statement explaining the rights and obligations of both the subscriber and the carrier with respect to the use of and payment for pay-per-call services, including a subscriber's right not to be billed²⁵ and to obtain blocking of pay-per-call services in the manner set by our rules. Names and mailing addresses of information providers utilizing the carrier's facilities to offer pay-per-call services are to be available over a local or toll free number.²⁷

35. The TDDRA's requirements that common carriers make available various types of information pertaining to the pay-per-call services they carry are clear, and we propose to adopt Section 64.1509 to include these specific statutory prescriptions. We seek comment as to whether common carriers should be required to make additional categories of pay-per-call information available to requesters or take steps beyond those set forth in the statute to promote consumer awareness.

I. Billing and Collection

36. In prescribing procedures that must be followed by common carriers who assign telephone numbers for pay-per-call programs and provide billing and collection services for IPs producing such programs, the TDDRA begins with a prohibition against billing for any service that such a carrier knows or reasonably should know has not been provided in compliance with provisions governing practices of IPs, which are contained in Title II of the statute and are to be codified by the FTC.²⁸ This Commission is also authorized to impose any other carrier billing restrictions that it deems necessary to protect consumers from abusive practices. In light of the numerous complaints that we have received regarding collect audiotext calls, we seek comment on, but do not propose, a prohibition against carrier billing for any interstate collect calls that offer or initiate audiotext or simultaneous voice conversation programs, and whether such a prohibition is technically feasible. See para. 21, supra.

37. The TDDRA requires that bills for pay-per-call services issued by a common carrier must display the toll-free number available to parties seeking information regarding pay-per-call services offered through that carrier. Charges for such services must be shown on the bill separately from local and long distance telephone charges. We are also proposing that if we

25 Carriers are obligated to provide pay-per-call disclosure statements to all new subscribers and to all subscribers obtaining service at a new location.

26 Carriers are prohibited from billing subscribers for pay-per-call services which the carrier knows, or reasonably should be expected to know, are not being offered in accordance with the provisions of the TDDRA and the FTC's implementing regulations.

27 47 U.S.C. § 228(d) (2), (3).

28 47 U.S.C. § 228(d) (1) (A).

do not prohibit carrier billing for collect audiotext calls, such charges be included in the separate billing for pay-per-call services. Further, the statute directs that for each pay-per-call charge made, the bill must show the amount of the charge; the date, time and duration of the call being charged; and the type of service being charged for.²⁹ We seek comment whether any additional information should be included in telephone bills containing pay-per-call charges. Should the name and other information about the IP be included on telephone bills containing pay-per-call charges? Should such bills include a statement informing the billed party that even if charges for pay-per-call services are removed by a carrier from a bill, an IP may pursue collection either on its own or through other private entities? For example, should both an explanation of the steps necessary to dispute pay-per-call charges and a statement that local exchange and long distance telephone service cannot be interrupted or terminated for failure to pay such charges be mandatory on telephone bills where the charges appear? Parties should address whether such measures, which extend beyond the requirements of the TDDRA, would serve consumer interests. Parties may also identify any problems with such requirements. Our goal is to ensure, first, that subscribers are educated as to their basic rights with respect to pay-per-call programs and charges and, second, that they are able without unreasonable effort to obtain the information necessary to assert such rights.

J. Forgiveness of Charges and Refunds

38. Under Section 228(f)(1), the Commission must set procedures "to ensure that carriers and other parties providing billing and collection services with respect to pay-per-call services provide appropriate refunds to subscribers who have been billed for pay-per-call services pursuant to programs that have been found to have violated this section or such regulations [prescribed under the section], any provision of, or regulations prescribed pursuant to, title II or III of the [TDDRA], or any other Federal law."

39. We are proposing a rule stating that common carriers must forgive charges or issue refunds for charges associated with pay-per-call services when either the Commission or the carrier, upon written or oral protest or on its own motion, determines that a pay-per-call program has been conducted in violation of federal law or federal pay-per-call regulations.³⁰ In addition, to address those situations where non-carriers provide pay-per-call billing and collection services, we propose that IXCs assigning pay-per-call numbers be required to include in their tariffs or contracts with IPs

29 47 U.S.C. § 228(d)(4).

30 The normal 18-month record retention requirement imposed on common carriers under Part 42 of our rules would apply to all subscriber records showing pay-per-call charges. 47 C.F.R. § 42.6. Thus, refund requests and billing disputes would have to be initiated within that time frame, unless the carrier were directed, at the beginning of a complaint process, to retain the records until final resolution.

provisions specifying that IPs, and/or their billing agents, have in place similar procedures for issuance of refunds or forgiveness of charges. We invite commenters to suggest whether more specific provisions governing refunds should be added. We ask commenters to address the scope of violative behavior that would trigger a refund. Specifically, in investigating whether a refund should be issued, what is the extent of a carrier's obligation to determine compliance with all federal laws, not just those directly relevant to pay-per-call programs? As a practical matter, what standard should be applied to establish that a violation has occurred? It appears that an FTC finding of violation is adequate to initiate refund action by this Commission, but, for example, would a finding of non-compliance with federal regulations by a state attorney general be sufficient to establish a violation and initiate refunds?

K. Protection Against Nonpayment of Legitimate Charges

40. The TDDRA directs the Commission to "identify procedures by which common carriers and providers of pay-per-call services may take affirmative steps to protect against nonpayment of legitimate charges."³¹ Congress clearly has been concerned that carriers and information providers are able to protect themselves from unscrupulous subscribers who might knowingly use pay-per-call services yet invoke the TDDRA's protective billing and refund provisions to avoid paying legitimate charges.³² We propose to specify that none of the provisions of our proposed pay-per-call rules precludes a common carrier or information provider from blocking or ordering the blocking of their pay-per-call programs from numbers assigned to subscribers who have incurred, but not paid, legitimate pay-per-call charges.³³ We believe that such a provision is the simplest and least intrusive way to ensure that carriers and IPs can take affirmative action to prevent fraudulent use of their services. Nonetheless, we seek comment whether a statement simply recognizing the right of a carrier or IP to order or implement involuntary blocking complies with the mandate to "identify procedures" for affirmative action or whether some more detailed rule is required.

31 47 U.S.C. § 228(b)(4).

32 See Report of the Senate Committee on Commerce, Science, and Transportation on S. 1579, 900 Services Consumer Protection Act of 1991. Oct. 19, 1991. In discussing a predecessor pay-per-call bill substantially similar in relevant part to the TDDRA, the Committee stressed that "if one customer has chronic complaints about calls to 900 services, then the telephone company can block calls to 900 services from that subscriber's telephone. The Committee does not endorse consumer fraud nor does it intend by this legislation to inadvertently encourage consumer fraud in this area."

33 See 900 Services Report and Order, 6 FCC Rcd at 6177.

L. Recovery of Costs

41. Under the TDDRA, common carriers are permitted to recover the costs of complying with the statute and the Commission's implementing regulations but are prohibited from recovering any such costs from local or long distance ratepayers.³⁴ Common carriers may incur compliance-related costs associated with pay-per-call services through free blocking, information dissemination programs, billing procedures, and refund requirements.³⁵ These costs are referred to herein as "restricted costs."

42. The Commission considered recovery of costs associated with free blocking in CC Docket No. 91-65. In the 900 Services Report and Order, the Commission observed that LECs had been recovering blocking costs from IXCs, from subscribers who pay a blocking fee, or from ratepayers generally. In declining to disrupt state-mandated recovery procedures, the Commission observed that those procedures appeared to work satisfactorily in the 31 states that at that time mandated one-time free blocking.³⁶ In addition, we found no record evidence indicating that one-time blocking costs were significant. We thus concluded that "recovery of all costs of the free blocking of 900 services for residential subscribers at the federal level, with cost recovery of other blocking pursuant to state procedures, would inject undue complexity into the LECs' accounting for these costs."³⁷

43. However, whatever complexity might result from federal cost recovery mechanisms, it is clear that the TDDRA forbids any costs associated with compliance with pay-per-call regulations being borne by local exchange and long distance ratepayers. There are two issues to be resolved in meeting this requirement: how are restricted costs to be identified and how are those costs to be excluded from local and long distance rates? In this regard, commenters should discuss precisely how the LECs' and IXCs' pay-per-

34 47 U.S.C. § 228 (c) (4), (f) (2).

35 Although all blocking, whether available to subscribers free or through a one-time charge, will cause carriers to incur "restricted costs," it is the costs associated with free blocking that are primarily at issue here. Fees charged to subscribers will provide an offsetting revenue flow to reduce the amount of restricted costs although it is possible that tariffed blocking rates may not cover their own costs. We recognize that those costs must be associated with the revenues derived from blocking tariffs, and that this issue is related to the way in which we resolve whether blocking tariffs are filed at the state or federal level (see para. 28, supra).

36 900 Services Report and Order, 6 FCC Rcd 6176.

37 Id.

call compliance costs can be isolated.³⁸ Should the standard be incremental, fully distributed, or some other form of costs? Assuming that such costs can be effectively isolated, it is unclear how we can satisfy the TDDRA's cost recovery provisions since (a) the LECs who perform some of the compliance activities required under TDDRA do not have direct business relationships with the IPs, and (b) LECs and IXC's providing pay-per-call services may not be regulated on a cost basis (but rather under incentive-price provisions) or are subject to streamlined regulation.

44. Among the recovery mechanisms commenters may discuss are designation of a discrete rate element, imposition of a surcharge on 900 access or other charges on IXC's and IPs, referral of separation implications to a Federal-State Joint Board and adoption of Part 69 rules, and addition of a new Part 32 account. We seek comment as to how these or other means could be used to recover costs associated with free blocking and other activities involving consumer awareness, billing, and refunds which either IXC's or LEC's must undertake to comply with the TDDRA. We note that under price caps, incurrence of such costs by LEC's would not necessarily affect access rates charged to IXC's or associated interstate rates paid by the end-user, because access rates are uncoupled from costs. However, to the extent that restricted costs are already being incurred, they would need to be removed from the price cap rates of the LEC's and AT&T through an exogenous adjustment. For rate of return regulated companies, exclusion of restricted costs in Part 69 accounts would have a direct effect on access rates, since rates are based on costs.

45. When pay-per-call compliance costs are incurred by IXC's, the IXC's could, in turn, be required to add a premium on their transmission rates to IPs to ensure that such costs are recovered from IPs and not general ratepayers. Such a system, however, would not cover costs properly designated as intrastate. We are particularly concerned with the extent to which the TDDRA requires the Commission to ensure that pay-per-call charges are not passed on to general ratepayers through intrastate charges. One option which would eliminate the possibility of inclusion of such costs in local charges would be to revise Parts 32 and 69 of our rules to assign all pay-per-call costs and revenues to the interstate jurisdiction. Although more simple than some other possible options, this approach could have serious consequences on state regulatory systems. If pay-per-call compliance costs must be separated between the interstate and intrastate jurisdictions, it may be impossible to avoid revision of Part 36 of our rules and the

38 We ask the LEC's, who have now had over one year of experience in providing blocking to their subscribers, to explain their means of isolating the costs associated with this activity, to quantify such costs, and to specify the proportionate division of those costs between the interstate and intrastate jurisdictions. We also ask the IXC's to estimate both what level of restricted costs they will incur, based on projected 1993 traffic volume, and also what part of restricted costs are recovered from current blocking charges.

attendant complexity of a Federal-State Joint Board proceeding.³⁹ As an interim measure, however, a special study could be undertaken to identify and segregate compliance costs.

M. Verification of Charitable Status

46. Under the TDDRA any carrier assigning a pay-per-call number to an IP that it knows or reasonably should know is engaged in soliciting charitable contributions must obtain proof of the tax exempt status of any person or organization for which contributions are solicited.⁴⁰ We propose to codify this provision by directing carriers to obtain verification that the entity or individual for whom contributions are solicited has been granted tax exempt status by the Internal Revenue Service. This verification requirement could be satisfied most simply by requiring submission of IRS Form 990 which records the grant of tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code.⁴¹ Commenters should address whether additional verification standards should be imposed to ensure that consumers are protected against unscrupulous or deceptive solicitations. We understand that some state law enforcement authorities may wish to ensure that solicitations undertaken within their states meet applicable state standards, and we invite comments on the Commission's role in this regard. We ask commenters to address both the desirability and practicality of incorporating into federal pay-per-call regulation a requirement that charitable institutions soliciting contributions through an interstate pay-per-call format demonstrate that they meet the solicitation requirements for each state in which their solicitation may occur.

IV. NOTICE OF INQUIRY REGARDING
APPLICATION OF PAY-PER-CALL REGULATIONS TO DATA SERVICES

47. The TDDRA requires the Commission to report to Congress within one year after enactment of the statute as to the desirability of extending pay-per-call regulations to "persons that provide, for a per-call charge, data services that are not pay-per-call services."⁴² We are issuing this Notice of Inquiry so that we will have the benefit of various views of interested parties in developing our recommendations to Congress. The range of services encompassed by Section 228(f)(3) is not apparent. Accordingly,

39 Declaring pay-per-call activities nonregulated under Part 64 does not appear to be a valid means of segregating costs since the provision of pay-per-call services involves common carriage. Under the current regulatory system, the LECs' costs of billing pay-per-call services are now presumably passed on to IXC's as a nonregulated activity although we have no means of ensuring that IXC's are not, in turn, imposing such costs on ratepayers generally.

40 47 U.S.C. § 228(c)(5).

41 26 U.S.C. § 501(c)(3).

42 47 U.S.C. § 228(f)(3).

we invite parties to describe current data services that are not within the statutory definition of pay-per-call, and identify the costs and benefits that an extension of the regulations would entail. We seek specific information as to whether there are, or are likely to be, abuses in the provision of such data services that could be alleviated by application of pay-per-call regulations. Commenters documenting abuses and supporting the extension of pay-per-call regulations to cover data services not already subject to the TDDRA, should discuss the most efficient and least intrusive means of tailoring regulations to alleviate specific abuses.

V. PROCEDURAL MATTERS

Ex Parte Rules - Non-restricted Proceeding

48. This is a non-restricted notice and comment rule making proceeding. Ex parte presentations are permitted, except during the Sunshine Agenda period, provided they are disclosed as provided in Commission rules. See generally 47 C.F.R. §§ 1.1202, 1.1203, and 1.1206(a).

Regulatory Flexibility Act

49. **Reason for action.** The Commission is issuing this Notice of Proposed Rule Making and Notice of Inquiry to comply with the requirements of the TDDRA and to ensure that consumers are adequately protected from unreasonable practices related to the provision of interstate pay-per-call services.

50. **Objectives.** The objective of this Notice of Proposed Rule Making and Notice of Inquiry is to initiate a proceeding to prescribe regulations consistent with the provisions of the TDDRA and to ensure that consumers are protected from unreasonable practices related to the provision of interstate pay-per-call services.

51. **Legal Basis.** Sections 1, 4(i), 4(j), 201-205, 218 and 228 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 218 and 228.

52. **Description, potential impact, and number of small entities affected.** The proposed rules will require that common carriers and entities in the pay-per-call industry provide information that is necessary for consumers to make knowledgeable choices among services. The rules will also help to eliminate certain practices and charges that impair a consumer's ability to make informed choices. Small entities may feel some economic impact due to the proposed consumer education and cost recovery requirements.

53. **Reporting, recordkeeping, and other compliance requirements.** The proposed rules require reporting in the form of the disclosure by pay-per-call service providers to interexchange carriers of certain information regarding their identities and their services.

54. **Any significant alternatives minimizing impact on small entities and consistent with stated objectives.** We shall consider any

alternatives suggested in comments that are consistent with the requirements of the TDDRA and with the public interest obligations imposed by the Communications Act.

55. **Comments are solicited.** We request written comments on this Initial Regulatory Flexibility Analysis. These comments must be filed in accordance with the same filing deadlines set for comments on the other issues in this Notice of Proposed Rule Making and Notice of Inquiry, but they must have a separate and distinct heading designating them as responses to this Regulatory Flexibility Analysis. The Secretary shall send a copy of the Notice to the Chief Counsel for Advocacy of the Small Business Administration in accordance with Section 603(a) of the Regulatory Flexibility Act. See 5 U.S.C. § 601, et seq.

VI. CONCLUSION

56. The rules proposed are intended to implement the specific statutory requirements of the TDDRA in a manner that will maximize consumers' protection from unfair and unreasonable practices related to the use of interstate pay-per-call services with minimal disruption to common carriers and providers of lawful and legitimate pay-per-call services. Through these rules, we seek to foster a marketplace environment in which providers of per-per-call services compete based on the merits of their services rather than by capitalizing on consumer confusion and lack of knowledge. In submitting comments on these proposed rules, parties should note our particular interest in information as to the most efficient and least disruptive and burdensome means of ensuring that statutory prescriptions are met. Commenters should pay special attention to questions regarding economic and technical feasibility and recovery of costs. Finally, we encourage interested parties to participate in the parallel rule making proceeding being conducted by the FTC in accordance with Titles II and III of the TDDRA.

VII. ORDERING CLAUSES

57. Accordingly, IT IS ORDERED, pursuant to Sections 1, 4(i), 4(j), 201-205, 218 and 228 of the Communications Act, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 218 and 228, that a NOTICE OF PROPOSED RULE MAKING IS ISSUED, proposing amendment of 47 C.F.R. Part 64 as set forth in the Appendix.

58. IT IS FURTHER ORDERED, pursuant to Sections 1, 4(i), 4(j), 201-205, 218 and 228 of the Communications Act, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 218 and 228, that a NOTICE OF INQUIRY IS ISSUED, soliciting comment on the extension of pay-per-call regulations to data services that do not fall within the statutory definition of pay-per-call services.

59. IT IS FURTHER ORDERED, that the Petition filed by the National Association of Attorneys General IS GRANTED, to the extent set forth herein.

60. IT IS FURTHER ORDERED, pursuant to Sections 1.415 and 1.419 of the Commission's Rules, 47 C.F.R. § 1.415, 1.419, that all interested parties

may file comments on the matters discussed in this Notice and on the proposed rules contained in the Appendix by April 19, 1993. Reply comments are due by May 4, 1993. All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding. To file formally in this proceeding, participants must file an original and four copies of all comments, reply comments, and supporting comments. If participants wish each Commissioner to have a personal copy of their comments, an original plus nine copies must be filed. Comments and reply comments should be sent to the Office of the Secretary, Federal Communications Commission, Washington, D.C. 20554. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

FEDERAL COMMUNICATIONS COMMISSION

Donna R. Searcy
Secretary

APPENDIX

Part 64 of Title 47 of the Code of Federal Regulations is proposed to be amended to read as follows:

1. The authority citation for Part 64 is proposed to be amended to read as follows:

AUTHORITY: Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154, unless otherwise noted. Interpret or apply secs. 201, 218, 226, 228, 48 Stat. 1070, as amended, 1077; 47 U.S.C. 201, 218, 226, 228 unless otherwise noted.

2. Subpart G of Part 64 is proposed to be amended by deleting Sections 64.709 through Section 64.716, inclusive.

3. Subpart O of Part 64 is proposed to be added as follows:

§ 64.1501 Definition of Pay-Per-Call Services.

(a) The term "pay-per-call services" means any service

(1) in which any person provides or purports to provide

(A) audio information or audio entertainment produced or packaged by such person;

(B) access to simultaneous voice conversation services; or

(C) any service, including the provision of a product, the charges for which are assessed on the basis of the completion of the call;

(2) for which the caller pays a per-call or per-time-interval charge that is greater than, or in addition to, the charge for transmission of the call; and

(3) which is accessed through use of a 900 telephone number.

(b) Such term does not include directory services provided by a common carrier or its affiliate or by a local exchange carrier or its affiliate, or any service the charge for which is tariffed, or any service for which users are assessed charges only after entering into a presubscription or comparable arrangement with the provider of such service.

§ 64.1502 Limitations on the Provision of Pay-Per-Call Services.

Any common carrier assigning to a provider of pay-per-call service a telephone number shall require, by contract or tariff, that such provider comply with the provisions in this subpart and of titles II and III of the Telephone Disclosure and Dispute Resolution Act and the regulations prescribed by the Federal Trade Commission pursuant to those titles.

§ 64.1503 Termination of Pay-Per-Call Programs.

Any common carrier assigning to a provider of pay-per-call service a telephone number shall specify by contract or tariff that pay-per-call programs not in compliance with § 64.1502 shall be promptly terminated following notice to the information provider.

§ 64.1504 Restrictions on the Use of 800 Numbers.

Common carriers shall prohibit, by tariff or contract, the use of any telephone number beginning with an 800 service access code, or any other telephone number advertised or widely understood to be toll free, in a manner that would result in

- (a) the calling party being assessed, by virtue of completing the call, a charge for the call;
- (b) the calling party being connected to a pay-per-call service;
- (c) the calling party being charged for information conveyed during the call unless the calling party has a preexisting agreement to be charged for the information or discloses a credit or charge card number and authorizes a charge to that credit or charge card number during the call; or
- (d) the calling party being called back collect for the provision of audio information services or simultaneous voice conversation services.

§ 64.1505 Restrictions on Collect Telephone Calls.

No common carrier shall provide transmission services billed to the subscriber on a collect basis for audio information services or simultaneous voice conversation services unless the called party has taken affirmative action clearly indicating that it accepts the charges for the collect service.

§ 64.1506 Number Designation.

Any common carrier assigning telephone numbers shall limit such assignments for interstate pay-per-call programs to telephone numbers beginning with a 900 service access code.

§ 64.1507 No Disconnection or Interruption of Service for Failure to Remit Pay-Per-Call or Similar Service Charges.

No common carrier shall disconnect or interrupt in any manner, or order the disconnection or interruption of, a telephone subscriber's local exchange or long distance telephone service as a result of that subscriber's failure to pay interstate pay-per-call service charges or charges for interstate collect calls providing audio information services or simultaneous voice conversation services.

§ 64.1508 Blocking Access to 900 Service.

(a) Local exchange carriers must offer to their subscribers, where technically feasible, an option to block interstate 900 services. Blocking is to be offered at no charge to

(1) all telephone subscribers for a period of 60 days after the effective date of these regulations; and

(2) any subscriber who subscribes to a new telephone number for a period of 60 days after the new number is effective.

(b) For blocking requests not within the one-time option or outside the 60 day time frames, and for unblocking requests, local exchange carriers may charge, pursuant to their interstate end-user tariffs, a reasonable one-time fee. Requests by subscribers to remove 900 service blocking must be in writing.

§ 64.1509 Disclosure and Dissemination of Pay-Per-Call Information.

(a) Any common carrier assigning a telephone number to a provider of pay-per-call services shall make readily available, at no charge, to Federal and State agencies and all other interested persons

(1) a list of the telephone numbers for each of the pay-per-call services it carries;

(2) a short description of each such service;

(3) a statement of the total cost or the cost per minute and any other fees for each such service; and

(4) a statement of the pay-per-call service provider's name, business address, and business telephone number.

(b) Any common carrier assigning a telephone number to a provider of pay-per-call and offering billing and collection services to such provider shall

(1) establish a local or toll-free telephone number to answer questions and provide information on subscribers' rights and obligations with regard to their use of pay-per-call services and to provide to callers the name and mailing address of any provider of pay-per-call services offered by that carrier; and

(2) provide to all its telephone subscribers, either directly or through contract with any local exchange carrier providing billing and collection services to that carrier, a disclosure statement setting forth all rights and obligations of the subscriber and the carrier with respect to the use and payment of pay-per-call services, including the right of a subscriber to obtain blocking in accordance with § 64.1507 and, under § 64.1509(a), not to be billed. Such disclosure statements must be forwarded to